



Economic Development Revolving Loan Fund

Promotes expansion of small business and job growth in Harford County.



Economic Development
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Mission

- To provide funds to creditworthy businesses unable to obtain financing through traditional sources due to limited equity, collateral or marginal cash flow.
- To serve as an alternative incentive offered by the County to attract, expand or retain a small business by extending below-market rates and favorable terms.

Target Criteria

- For-profit manufacturers (i.e., assembly, fabrication, processing)
- Distribution
- Wholesalers
- Retailers
- Service companies
- Agricultural businesses
- Technology companies

Applicants must demonstrate clear ability to retain existing employment and stimulate job creation.

Type Of Assistance

- Limited to no more than 50% of the total project costs or \$100,000, whichever is smaller
- Borrower must provide at least 10% of the project cost as equity or subordinated debt
- Applicant will obtain at least 40% of the financing from a bank participating in the Revolving Loan Fund (RLF)
- Applicant will apply for financing the remaining portion from the RLF

Loan Amount

- Ranges from a minimum of \$10M to a maximum of \$100M

Uses

Loan proceeds may be used for any legitimate business purpose approved by the Loan Review Committee to include:

- Leasehold improvements
- Acquisition of real property
- Construction, renovation and rehabilitation*
- Machinery and equipment
- Working capital**

* Business must occupy at least 51% of the building

** Financing may include loan fees

Loan Terms

- **Real Estate** – 10 years, maximum, 20-year amortization
- **Equipment** – 3 to 10 years depending on the useful life
- **Working Capital** – interest only, 1 year with option for two annual reconfirmations at fund's discretion
- **Physical Improvements** – maximum 5 years

Underwriting Criteria

- Borrower will provide the Office of Economic Development (OED) with the information outlined in ***Applicant's Role***
- Applicant will be required to demonstrate credit worthiness and the ability to service the debt

Applicant's Role

Borrower will provide the following information:

- Bank's commitment or proposal letter indicating the need to participate in the RLF
- Completed Revolving Loan Fund application (*attached form*)
- Business plan may include the following:
 - business definition
 - products or services offered
 - market analysis
 - approach to selling
 - production process
 - management and personnel
 - financial data
 - summary and conclusions
 - appendices and supporting documents
- Financial statements (balance sheets and income statements for last three years, and an interim financial statement dated within 90 days of application)*
- Personal and corporate* tax returns, including all K-1's and schedules for the last three years
- Schedule all debts (to include rates and terms)*
- Aging of accounts receivable and payable dated within sixty days*
- Executed copy of any lease(s)
- Amount of investment by owner
- Three to five years of income projections, expenses and cash flow
- Current personal financial statements for the principals; participating bank form is acceptable
- Personal resumes of principal(s)
- Appraisals
- Collateral description to include year, make, model and serial number, if applicable

* applies to existing business

Collateral

- Borrower must pledge sufficient available assets to secure the loan
- Loan will be secured by the appropriate notes, security agreements, mortgages or deeds of trust and any other documents required by the Loan Review Committee. This includes a perfected security interest in all business assets
- The assets acquired with the RLF proceeds will be pledged as collateral

Guarantee

- Personal guarantees from any owners having a 20% or greater ownership in the applicant's business
- Lien may be placed on the personal assets of the principal(s), including an Indemnity Deed of Trust on personal residence

Fees

The borrower will be responsible for:

- Non-refundable application fee of \$200.00 paid at the time of loan submission
- Loan origination fee of 2% of the loan amount, due and payable upon issuance of the RLF commitment letter
- Applicable closing costs to include lien searches, recordation, legal fees, etc.
- An annual service fee of 0.25% of the outstanding loan balance payable on the anniversary date of said loan

For More Information

- Financial Officer
Harford County Office of Economic Development
410.638.3059 / 1.888.195.SITE

Economic Development Credit Application

Credit Request(s)

Purpose of the credit request? _____

Type: ☐ Single Pay ☐ Term Loan ☐ Line of Credit ☐ Short Term ☐ Other _____

Amount \$ _____ Term _____ Years/Months _____

Existing lien on collateral offered? ☐ Yes ☐ No Value/Cost (Less any item amounts) \$ _____

Collateral Description _____

Business Profile

Will the business be a: ☐ Borrower ☐ Co-Borrower ☐ Guarantor on this credit application?

Legal Business Name _____ Taxpayer ID _____

Street _____ Suite Number _____ Telephone Number _____ Fax Number _____

City _____ State _____ Zip Code _____ Email _____

Nature of Business _____ Business Structure: ☐ Sole Proprietorship ☐ S Corporation ☐ Partnership ☐ Corporation

Time as Current Owner _____ Prior 12 Month Sales _____ No. of Employees _____ ☐ Other (explain) _____

Information concerning Owner(s) and/or Guarantor(s)

(List All Principals, Owners, and Guarantors who will be obligated on this credit. Attach additional sheets as needed.)

Will this individual be a: ☐ Borrower ☐ Co-borrower ☐ Guarantor on this application? Will this individual be a: ☐ Borrower ☐ Co-Borrower ☐ Guarantor on this application?

Name _____ Title _____ Name _____ Title _____

Social Security Number _____ %Ownership _____ Social Security Number _____ %Ownership _____

Home Address _____ Home Address _____

Telephone Number _____ Fax Number _____ Telephone Number _____ Fax Number _____

Email _____ Email _____

Business Financial Summary

Please list the bank(s) where the business's Depository and Borrowing accounts are maintained.

Bank Name _____ Bank Name _____ Bank Name _____

Account Type/Deposit _____ Account Type/Deposit _____ Account Type/Deposit _____

\$ _____ \$ _____ \$ _____

Average Balance _____ Average Balance _____ Average Balance _____

Miscellaneous

Are any taxes owed for years prior to current year? ☐ Yes ☐ No

If Yes, by Whom? ☐ Borrower ☐ Co-Borrower ☐ Guarantor (Please Attach Explanation)

Do any of the parties involved in this credit request act as an endorser, guarantor, maker or co-maker for any other obligations? ☐ Yes ☐ No

If Yes, by Whom? ☐ Borrower ☐ Co-Borrower ☐ Guarantor (Please Attach Explanation)

Have any of the parties involved in the credit request ever been involved in any bankruptcy proceedings? ☐ Yes ☐ No

If Yes, by Whom? ☐ Borrower ☐ Co-Borrower ☐ Guarantor (Please Attach Explanation)

Are there any pending law suits or outstanding judgments against any of the parties involved in this credit request? ☐ Yes ☐ No

If Yes, by Whom? ☐ Borrower ☐ Co-Borrower ☐ Guarantor (Please Attach Explanation)

I/We agree that all documents and information I/We have furnished to you belong to you. Except as otherwise prohibited by applicable law, you may furnish to Harford County Office of Economic Development Revolving Loan Fund any information and documents relating to me/us or my/our account(s) with you. You may also respond to credit inquiries from third parties regarding my/our account(s) with you.

Borrowers

Individual	Date	Name of Corporation, Partnership, etc.
Individual	Date	By
		Title
		Date

Guarantors

Individual	Date	Name of Corporation, Partnership, etc.
Individual	Date	By
		Title
		Date

Please provide the following Business Financial Statements as applicable with the Application
This financial requirement guide has been designed to help you verify that you have included all of the necessary supporting financial documentation needed to evaluate your loan request.

INDIVIDUALS PLEASE PROVIDE THE FOLLOWING FINANCIAL INFORMATION:

- Personal Federal Income Tax Return of each borrower and guarantor, including all schedules (most recent 3 years)
- Corporate Federal Income Tax Return of Companies owned by the individual borrower (most recent 2 years)

PROPRIETORSHIPS PLEASE PROVIDE THE FOLLOWING FINANCIAL INFORMATION:

- Personal Federal Income Tax Return of each borrower and guarantor, including all schedules (most recent 3 years)
- Compiled Business Financial Statements, if available (most recent 3 years)

PARTNERSHIPS PLEASE PROVIDE THE FOLLOWING FINANCIAL INFORMATION:

- Business Financial Statements (most recent 3 years)
- Partnership Federal Income Tax Returns, including all schedules and K-1's (most recent 3 years)
- Personal Federal Income Tax Returns of each general partner, including all schedules and K-1's (most recent 2 years)
- Partnership Agreement

CORPORATIONS PLEASE PROVIDE THE FOLLOWING FINANCIAL INFORMATION:

- Corporate Financial Statements (most recent 3 years)
- Corporate Federal Income Tax Returns (most recent 3 years)
- Federal Income Tax Returns of each owner and all potential guarantors (most recent 2 years)
- Interim Corporate Financial Statement, if more than six months have elapsed since fiscal year end

A BANK PERSONAL FINANCIAL STATEMENT MUST BE COMPLETED, SIGNED AND DATED BY ALL OWNERS, GUARANTORS, AND PARTNERS AND SUBMITTED ALONG WITH THE REQUESTED FINANCIAL INFORMATION.
If you are unable to supply a particular document or piece of information, please attach an explanation as to why the item is missing.

For Loan Fund application, please provide the additional information:

1. Statement describing the purpose of the loan
2. History of the business
3. Schedule of term debts
4. Aging of accounts receivable and payable
5. Details of any leases
6. Amount of investment by owner
7. Projection of income, expenses, cash flow
8. Personal resumes